AUDIT REPORT

GREENLAM AMERICA, INC.

2017 - 2018

Varkey Associates CPA,PA.
Certified Public Accountants

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GREENLAM AMERICA, INC.

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The accompanying report and notes are integral parts of these statements

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The Board of Directors,
GREENLAM AMERICA, INC
8750 NW 36th Street, Suite:635,
Doral, Florida 33178

We have audited the balance sheet of **Greenlam America, Inc.** (Type C corporation) as of March 31, 2018, and the related statements of income, retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the united States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, and assessing the overall financial presentation. We believe that our audits provide a reasonable basis for expressing our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greenlam America Inc., as of March 31st 2018 and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Varkey Associates CPA, PA.
Certified Public Accountants
April 23, 2018
Miami, Florida.

GREENLAM AMERICA INC.
Balance Sheet
(As at 31st March, 2018)

(US $)

	Notes		*March 2018*		*March 2017*
ASSETS:					
Current Assets					
Cash and Bank	*A*	20,553		41,273	
Accounts Receivables	*B*	2,561,218		2,188,112	
Prepaid Expenses	*C*	5,228		12,418	
Federal Tax Refundable	*D*	18,347		-	
Vendor Deposit	*E*	13,769		13,769	
Goods in Transit	*F*	399,078		407,136	
Inventories	*G*	626,102		698,976	
Total Current Assets			**3,644,295**		**3,361,684**
Fixed Assets					
Office Equipments	*H*	23,410		22,760	
Furniture & Fixtures	*H*	74,436		74,436	
Warehouse Equip & Fixtures	*H*	96,365		28,797	
(Less) Accumulated Depreciation		(91,891)		(72,073)	
Total Fixed assets			**102,320**		**53,920**
Goodwill					
Goodwill	*I*	900,000		900,000	
Less Acc. Amortization	*I*	(720,000)		(540,000)	
Total Other Assets			**180,000**		**360,000**
Total Assets			**3,926,615**		**3,775,604**
LIABILITIES & SHAREHOLDER'S EQUITY					
Current Liabilities					
Accounts Payable	*J*	626,699		741,637	
Accrued Expenses	*K*	88,417		40,939	
Accrued Interest	*L*	-		-	
Provision for Income Taxes	*M*	-		46,149	
Income Tax Payable (State)	*M*	19,121			
Customers' Deposits	*N*	5,000		5,000	
Loans and Advances	*O*	775,000		940,000	
Total Current Liabilities			**1,514,237**		**1,773,725**
Shareholder's Equity					
Capital Stock	*P*	1,600,000		1,600,000	
Retained Earnings	*Q*	812,378		401,879	
Total Shareholder's Equity			**2,412,378**		**2,001,879**
Total Liabilities & Shareholder's Equity			**3,926,615**		**3,775,604**

The accompanying report and notes are integral parts of these statements

GREENLAM AMERICA INC.

Statement of Income

(For the year ended 31st march, 2018)

(US $)

		March 2018		*March 2017*
Income				
Gross Sales		13,248,784		14,193,676
Opening Inventory	1,106,112		1,042,895	
Purchases	10,197,535		11,055,347	
	11,303,647		12,098,242	
Less Closing Inventory	1,025,180		1,106,112	
Less Obslete Inventory	-		43,056	
Cost of Goods Sold		10,278,467		10,949,074
Gross Profit		**2,970,317**		**3,244,602**
General and Administrative Expenses				
Accounting Fee	18,000		18,000	
Amortization Expense	180,000		180,000	
Bad debts	-		13,311	
Bank Service Charges	16,974		37,210	
Consultancy Fee	159,582		188,383	
Depreciation Expense	19,818		26,209	
Loss on Sale of Assets	-		8,474	
Insurance Expenses	89,876		70,714	
Legal and Professional Fees	16,543		19,012	
Office Expenses	8,766		7,253	
Staff Welfare	2,814		4,353	
Payroll Expenses	1,119,886		868,275	
Postage and Shipping	25,728		23,444	
Rent Expense	150,811		148,278	
Provision for Income Taxes	-		226,149	
Income Taxes	172,108		6,837	
Rates and Taxes			197	
Repairs and Maintenanace	5,073		18,294	
Selling Expenses	152,784		189,864	
Telephone and Fax Charges	32,694		46,335	
Travel Expenses	284,280		305,206	
Obsolete Inventory W/Off	-		43,056	
Warehouse Expenses	93,636		105,759	
Utilities expenses	3,052		1,816	
Total Expenses		**2,552,425**		**2,556,429**
Profit from Operations		**417,892**		**688,173**
Other Income		11,867		6,974
Other Expense (Bank Interest)		19,260		34,981
Net Profit		**410,499**		**660,166**

The accompanying report and notes are integral parts of these statements

GREENLAM AMERICA INC.

Statement of Retained Earnings

(For the year ended 31st March, 2018)

(US$)

	March 2018	*March 2017*
Opening Retained Earnings balance	**401,879**	**(258,287)**
Net Income for the period	410,499	660,166
Closing Balance	**812,378**	**401,879**

The accompanying reports and notes are integral parts of these statements

GREENLAM AMERICA INC.

Statement of Cash Flows

(For the year ended 31st March, 2018)

		March 2018	*(US $)*	*March 2017*
Cash Flow from Operating Activities				
Net Income		**410,499**		**660,166**
Changes in Assets and Liabilities				
Decrease in Accounts Receivables	(373,105)		373,223	
Refundable Fed Tax	(18,347)		-	
Income Tax Payable (State)	19,121			
Increase in Prepaid Expenses	7,190		(9,272)	
Decrease/Increase in Deferred Tax (Asset)	-		6,837	
Increase/Decrease of Inventory	72,874		(48,198)	
Increase in Goods in Transit	8,057		(15,019)	
Increase /Decrease of Accounts Payable	(114,938)		821,150	
Decrease/Increase in Line of Credit	(165,000)		(2,000,000)	
Decrease/Increase in Accrued Liabilities	47,478		(64,520)	
Amortization of Goodwill	180,000		180,000	
Depreciation	19,818		26,209	
Provision (Income Tax)	(46,149)		46,149	
Decrease/Increase in Accrued Interest	-	(363,001)	(4,370)	(687,811)
		47,498		**(27,645)**
Cash Flow from Investing Activities				
Increase of Fixed Assets	(68,218)			
Disposal of Office Equipments	-		58,615	
Disposal of Furniture and Fixtures	-		23,994	
Accum Depreciation of Office Equipment	-		(50,552)	
Accum Depreciation of Furniture &Fixture	-	(68,218)	(23,583)	8,474
Net Decrease in Cash		**(20,720)**		**(19,171)**
Cash at the beginning of the period		41,273		60,444
Cash at the end of the period		**20,553**		**41,273**

The accompanying report and notes are integral parts of these statements

GREENLAM AMERICA INC.
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANACIAL STATEMENTS
(For the Year ended 31st March 2018)

Note 1: SIGNIFICANCE OF ACCOUNTING POLICIES

Disclosure of Accounting Policies:

Nature of Operations

The Company was incorporated under the laws of the State of Florida for the purpose of distributing decorative laminates of the highest quality for the office and home improvement, as well as the construction industry. Greenlam America Inc., is 100% owned by Greenlam Industries Limited which owns 100% share capital of "Greenlam America Inc."

Greenlam Industries Limited (GIL), is a $144.84 Million Company as on March 31,2017, with headquarters in Delhi, India, where it is established as India's Premier Interior Infrastructure Company.

Greenlam manufactures Decorative laminates, Compact Boards, Decorative Plywood, Engineered Wooden Flooring, Engineered Door, Door Leaf, Clad and allied products. It distributes laminates to an extensive dealer network spread all over the World. In addition, it owns this company (Greenlam America Inc.) and a Singapore subsidiary (Greenlam Asia Pacific PTE, Ltd)

Greenlam, the flagship decorative laminate brand from Greenlam Industries Limited, is one of India's fastest selling brands and currently it is being exported to more than 110 countries including Canada, USA, Mexico, Colombia, Peru, Salvador, Ecuador,
Guatemala, Chile, UK, Germany, Switzerland, Italy, Netherlands, Poland, Turkey, Australia, New Zealand, Thailand, Indonesia, Taiwan, Hong Kong, China, Malaysia, Singapore, Dubai and Israel.

Revenue and Cost Recognition

The financial statements are prepared using US Generally Accepted Accounting Principles (GAAP), using the accrual method, which requires income to be recognized when earned and expenses when incurred.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America.

GREENLAM AMERICA INC.
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANACIAL STATEMENTS
(For the Year ended 31st March 2018)

Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Valuation of Inventory

The company purchases most of its inventory from its parent company (Greenlam Industries Limited). Inventories are carried at the lower of cost and net realizable value. Inventory values are maintained using the "weighted average" method, under a perpetual system, where the cost is adjusted by item, as new units with different pricing are added to the inventory, and old units are sold, "weighted" cost changes.

Cash Flow Statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts of payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated. Cash and cash equivalents on the balance sheet typically comprise cash at bank.

Contingencies and Subsequent Events

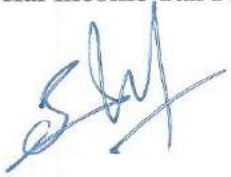
Disclosure of contingencies as required by the accounting standard is furnished in the Notes on each account, where disclosure is needed.

Fixed Assets and Depreciation

Fixed Assets are shown on the balance sheet net of accumulated depreciation at Original Cost minus Depreciation (Book Value). Depreciation is provided for on Straight Line Method and Double declining Balance method is applied for Federal Income Tax Purposes.

Goodwill

In the year 2014, Corporation acquired Goodwill from Keystone Laminates Inc. for a total consideration of $ 900,000 and the consideration is payable in 36 months. The Goodwill is shown on the balance sheet net of accumulated amortization at Original Cost minus Amortization (Book Value). Amortization is provided for on Straight Line Method (five years) for Federal Income Tax Purposes.



GREENLAM AMERICA INC.
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANACIAL STATEMENTS
(For the Year ended 31st March 2018)

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Accounting for Taxes on Income

The Company is responsible for Federal and State Income tax as a C corporation. For the year ended March 31, 2018, income tax is accounted for $172,108.

Related Party Disclosures

Disclosure of related parties as required by the accounting standards is furnished in the Notes on Accounts.

Note 2: NOTES ON ACCOUNT

Accounts Receivable and Allowance for Doubtful Accounts

Accounts Receivable

The Company's credit policy with its customers typically varies from advance payments at the beginning of the commercial relationship, to 90 day terms based on the creditworthiness and payment experience. Receivables are insured through Euler Hermes Credit Insurance policy.

Allowance for Doubtful Accounts and Bad Debt

Management recognizes Bad Debts using the Allowance Method and assigning a risk probability percentage to every outstanding receivable amount.

Vendor Deposits

The Company has deposits outstanding with landlords, vendors for advance rents, utilities and other service companies such as delivery and freight as follows:

Adopt A plant leasing Company	129
Crystal Springs	27
Hines VAF II Doral	8,413
James A. Rodriguez	5,200
	13,769

GREENLAM AMERICA INC.
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANACIAL STATEMENTS
(For the Year ended 31st March 2018)

Accounts Payable

The Company purchases most of its products from its parent Greenlam as needed, as such. The majority of amounts under Accounts Payable, besides Freight and other charges, at the end of this fiscal year were owed to Greenlam Industries Limited, with an outstanding payable of $597,294.

Accrued Expenses

The Company accrues for utility bills and General Administrative expenses as invoices are received from these vendors. The company enters these bills as received from Vendors.

Bank Loans

Company has continued to have a facility of $1.00 Million from Citi Bank NA at the rate of LIBOR+100 Basis points. Company utilized $0.78 Million as on March 31, 2018. Line of Credit is Secured by $1.00 Million Stand by letter of Credit issued by Greenlam Industries Limited (Parent Company).

Long-term Commitments

The Company has following open agreement with landlord:

Type	Location	Date	Length	Monthly	Total
Office Lease	Miami	April 2018 - May 2019	14 Months	$ 4,781	$ 66,792
Warehouse Lease	PA	April 2018 - June 2019	15 Months	$5,227	$ 79,225

The Company has following five year agreement with following Parties:

Parties	Location	Date	Length	Monthly	Total
Keystone Laminates Inc. Consultancy	PA	April 2018 - June 2019	15 Months	$ 11,433	$ 171,495
Sonal Detroja Employment	PA	April 2018 - June 2019	15 Months	$9,250	$138,750

Capital Stock

As of March 31, 2018, shares subscribed and paid up were:

Number	Type	Par Value	Total value
1,600,000	Common	$ 1.00	$ 1,600,000

GREENLAM AMERICA INC

Schedules forming part of the Accounts

(As at 31st March, 2018)

		(US$)	
		March 2018	***March 2017***
A	**Cash and Bank**		
	Citi Bank NA.	20,533	41,078
	Cah in Hand	19	195
		20,553	41,273
B	**Accounts Receivables**		
	Total Debtors	2,561,218	2,188,112
	Less-Provisions for Doubtful Debts	-	-
		2,561,218	2,188,112
C	**Prepaid Expenses**		
	Credit Insurance	5,005	6,892
	Marine Insurance	-	2,475
	General Liability Insurance	223	3,051
		5,228	12,418
D	**Federal Tax**		
	Federal Tax (Refundable)	18,347	-
		18,347	-
E	**Vendor Deposit**		
	Crystal Springs	27	27
	Hines VAF II Doral, L.P.	8,413	8,413
	James A. Rodriguez	5,200	5,200
	Adopt A Plant	129	129
		13,769	13,769
F	**Goods in Transit**		
	Goods in Transit	399,078	407,136
		399,078	407,136
G	**Inventory**		
	Pennsylvania WH	596,685	649,177
	Best ply Supplies,Miami	29,417	29,417
	Others	-	20,382
		626,102	698,976

The accompanying reports and notes are integral parts of these statements

GREENLAM AMERICA, INC.

Schedules forming part of the Accounts

(As at 31st March, 2018)

H

Fixed Assets

Assets	Depr Method	Years	Original cost	Additions during the year	Disposal prior periods	Cost as at 31 March 2018	Accumulated Depreciation till March 31 2017	Depreciation for the year	Accum Depr at 31 March 2018	Carrying Value
Office Equipment	SL	5	81,375	650	58,615	23,410	16,315	2,610	18,925	4,485
Furniture & Fixtures	SL	7	98,430	-	23,994	74,436	40,508	10,002	50,510	23,926
Warehouse Equip & Fixt	SL	7	28,797	67,568	-	96,365	15,250	7,206	22,456	73,909
Total			**208,602**	**68,218**	**82,609**	**194,211**	**72,073**	**19,818**	**91,891**	**102,320**

I

Goodwill

Assets	Amortization Method	Years	Original cost	Additions during the year	Cost as at 31 March 2018	Accumulated Amortization till March 31 2017	Amortization for the year	Accumulated Amortization at 31 March 2018	Carrying Value
Goodwill	SL	5	900,000	-	900,000	540,000	180,000	720,000	180,000
Total			**900,000**	**-**	**900,000**	**540,000**	**180,000**	**720,000**	**180,000**

The accompanying report and notes are integral parts of these statements

GREENLAM AMERICA INC

Schedules forming part of the Accounts

(As at 31st March, 2018)

(US$)

		March 2018	*March 2017*
J	**Accounts Payable**		
	Greenlam Industries Limited, Holding Company	597,294	512,929
	Income Tax payable (IRS)	-	-
	Other Payables	29,405	228,708
		626,699	741,637
K	**Accrued Expenses and Provisions**		
	Freight and Duties	54,459	12,138
	Bonus and Commission	17,856	15,899
	Telephone	2,000	-
	Travelling	2,600	-
	Claims	-	3,502
	Sales Promotion	11,502	8,000
	Repairs and Maintenance	-	1,400
		88,417	40,939
L	**Accrued Interest**		
	Citi Bank NA.	-	-
		-	-
M	**Provision for Income taxes**		
	Federal Income tax	-	46,149
	State Income Tax (Payable)	19,121	-
		19,121	46,149
N	**Customer Deposit**		
	Produits Forestiers Inc. CJP	5,000	5,000
		5,000	5,000
O	**Loans and Advances**		
	Citi Bank NA (A/C 3300174266)	775,000	940,000
	Citi Bank NA (A/C 3300173872)	-	-
		775,000	940,000
P	**Capital Stock**		
	Issued Subscribed and Paid up	1,600,000	1,600,000
		1,600,000	1,600,000
Q	**Retained Earnings**		
	Opening Balance as of 1st April	401,879	(258,287)
	Net Income for the Year	410,499	660,166
	Balance as on 31st March	812,378	401,879

The accompanying reports and notes are integral parts of these statements